(c) In terms of SEBI (Central Database of Market Participants) Regulations 2003. Various market participants and investors have already been notified and for such notified participants MAPIN is mandatory for transacting in securities. Hence, MAPIN registration has been continued although a committee is examining issues relating to coverage, implementation and cost. There are persons who wish to have the card on present terms and hence the issuing of cards has not been stopped.

(d) It is not proposed to discontinue the registration till the report of the committee is received since there are persons who are desirous of obtaining the card on the present terms. Those who have reservations regarding the scheme have the option of waiting for the report of the committee and the decisions thereon.

Profit earned from US-64

3451. SHRIMATI SUKHBUNS KAUR:
DR. AKHILESH DAS:
SHRIMATI PREMA CARIAPPA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government in bailing out the US-64 small investor of the crisis through a package in 1999 and 2003, made a huge profit of over Rs. 2,800 crore; and

(b) if so, whether Government have drawn out any scheme to equitably distribute this profit amongst the small investors to whom it legitimately belongs and the details of such scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Does not arise.

Service tax and VAT on industrial catering

3452. SHRI RAJ NATH SINGH:
SHRI DARA SINGH CHAUHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether both service tax and VAT are applicable on industrial catering where the employer serves food to its employees in company premises as part of staff benefit;

(b) if so, the rationale behind imposition of both the taxes on such in-house catering wherein food is prepared for company employees only and is not meant for outside sale;

(c) the steps being taken to rectify this anomaly, which has created confusion and rethinking in industrial houses providing food to their employees due to increasing tax burden; and

(d) if so, by when clear direction in this regard is likely to be issued?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Service tax is not chargeable, if the employer serves food to his employees without engaging the services of any outdoor caterer.

Service tax is charegable on outdoor catering service only if the employer engages the services of an outdoor caterer. In such cases, service tax is chargeable on gross amount (if the outdoor caterer also supplies food) and on 50% of the gross amount (if the outdoor caterer also supplies food) charged by the outdoor caterer from his client.

VAT is the tax to be paid on the value addition of the goods when sold. It is a state subject and the levy of VAT depends upon the State Laws of the respective State whereas service tax is leviable on taxable services provided for a consideration.

(c) and (d) In view of (a) and (b) above, does not arise.

Tax dues against ITC

†3453. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that an amount of Rs. 803 crores as tax was outstanding against tobacco trading company, ITC;

(b) if not, the details of amount which Government have sought from the said company;

(c) whether it is also a fact that as per the agreement between Government and said company only Rs. 350 crores have been paid; and

(d) if so, the details thereof.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) By

†Original notice of the question was received in Hindi.